



U.S. Department of Justice

*United States Attorney
Eastern District of Wisconsin*

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NEWS SUMMARY: Two Attorneys Found Guilty of Bankruptcy Fraud and Money Laundering

United States Attorney Steven M. Biskupic announced today that Ronald A. Arthur (DOB: 8/19/52) and his wife Mary K. Arthur [a/k/a Kathleen M. Arthur] (DOB: 11/11/52) have been convicted of conspiracy, bankruptcy fraud and money laundering involving the concealment of hundreds of thousands of dollars. *United States v. Ronald and Kathleen Arthur, Case No. 04-CR-122.*

The case was tried before the Honorable Lynn Adelman, district judge for the Eastern District of Wisconsin, over a two week period. The Court returned the guilty verdict yesterday, November 7, 2005, in a 48 page written opinion. Ronald Arthur was convicted on 23 of 26 felony counts, and Kathleen Arthur was convicted on 9 of 11 felony counts. Sentencing has been scheduled for February 16, 2006.

The evidence revealed that Ronald and Kathleen Arthur, both attorneys, conspired to conceal assets, including bank accounts in the names of shell corporations, from the Chapter 7 bankruptcy trustee. In furtherance of the conspiracy, Ronald Arthur made false statements while testifying during bankruptcy proceedings, and failed to disclose that he was earning substantial income as a lawyer/real estate consultant. The Court further found that Kathleen Arthur filed a false claim in the bankruptcy proceedings, and filed legal papers designed to conceal her husband's source of income from the bankruptcy trustee.

Additionally, Ronald and Kathleen Arthur engaged in money laundering to conceal Ronald's assets and income from the bankruptcy trustee. With the concealed assets, the Arthurs paid the mortgage on their Lake Geneva golf community residence, purchased a personal water craft, took vacations in Europe, and paid other personal expenses.

Ronald Arthur graduated from the University of Wisconsin's law school in 1982 and was in private practice in Milwaukee, and later a real estate investor/consultant. Kathleen Arthur graduated from the University of Wisconsin's law school in 1978 and was the Dodge County District Attorney for approximately 4 ½ years in the early 1980s. She subsequently practiced law with her husband and, more recently, was a nursing home administrator.

In addition to imprisonment, fines and restitution, the United States has requested forfeiture of certain of the Arthurs' assets, including their Lake Geneva residence. The statutory maximum penalties for the offenses of conviction are 20 years in prison, a \$500,000 fine, and 3 years of supervised release.

The case was investigated by the Internal Revenue Service, Criminal Investigation Division, and the Federal Bureau of Investigation. The case was prosecuted by Assistant United States Attorneys Gordon P. Giampietro and Gail J. Hoffman.

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